

House File 464 - Introduced

HOUSE FILE _____
BY FORD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the certification and registration of real
2 estate appraisers, providing a penalty, and making an
3 appropriation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2478HH 82
6 jr/je/5

PAG LIN

1 1 Section 1. NEW SECTION. 543D.3A REGISTRATION REQUIRED.

1 2 A person engaged in the business or acting in the capacity
1 3 of a real estate appraiser for compensation within this state
1 4 shall register annually with the board. The board shall
1 5 maintain a list of registrations at the board office, which
1 6 list shall be available for public inspection.

1 7 Sec. 2. Section 543D.17, subsection 1, paragraph f, Code
1 8 2007, is amended to read as follows:

1 9 f. ~~Negligence, or incompetence in developing an appraisal,
1 10 in preparing an appraisal report, or in communicating an
1 11 appraisal, or acting with advocacy or bias while involved in
1 12 valuation assignments in real property appraisal practice.~~

1 13 Sec. 3. Section 543D.17, subsection 3, Code 2007, is
1 14 amended to read as follows:

1 15 3. Notwithstanding the limitations of section 272C.3,
1 16 subsection 2, paragraph "e", the board shall adopt a rule
1 17 providing for civil penalties in amounts and for the reasons
1 18 authorized by federal law where federal law requires the board
1 19 to have the authority to impose the civil penalties in order
1 20 to obtain or to retain the board's designation as a qualified
1 21 state appraiser certifying agency. An administrative penalty
1 22 imposed under this section shall not be more than one thousand
1 23 dollars in the case of a first violation and not more than
1 24 five thousand dollars for each second or subsequent violation.
1 25 All administrative penalties collected pursuant to this
1 26 chapter shall be deposited in the housing trust fund created
1 27 in section 16.181.

1 28 Sec. 4. Section 543D.17, Code 2007, is amended by adding
1 29 the following new subsection:

1 30 NEW SUBSECTION. 4. The board may investigate complaints
1 31 and initiate complaints against compensated real estate
1 32 appraisers who are not certified pursuant to this chapter and
1 33 may impose a penalty as provided in this chapter.

1 34 Sec. 5. NEW SECTION. 543D.20 EXCLUSIONS.

1 35 1. This chapter does not apply to any of the following:

2 1 a. An individual licensed under chapter 543B who does not
2 2 provide an appraisal, but who in the ordinary course of a real
2 3 estate brokerage business provides a recommendation of price
2 4 or pricing of real estate in connection with the listing of
2 5 property for sale or lease, or to assist a potential purchaser
2 6 or lessee in developing an offer to purchase or lease
2 7 property. No compensation, fee, or other consideration shall
2 8 be charged for such recommendation other than a real estate
2 9 commission or brokerage fee unless the recommendation is in
2 10 writing and includes a prominent disclosure stating that the
2 11 recommendation is not an appraisal, is intended only for the
2 12 benefit of the addressee in connection with the listing, sale,
2 13 lease, or purchase of real estate, and is not intended for any
2 14 other purpose, including but not limited to lending purposes.
2 15 Providing a recommendation pursuant to this paragraph is not
2 16 subject to the uniform standards of professional appraisal
2 17 practice adopted by the appraisal foundation.

2 18 b. An individual who provides administrative services to a
2 19 certified real estate appraiser, such as taking photographs,

2 20 preparing charts, or typing reports, who is not an associate
2 21 real estate appraiser and who does not provide any assistance
2 22 in developing the analysis, valuation, opinions, or
2 23 conclusions associated with the appraisal assignment.

2 24 c. Unless otherwise required by federal, state, or local
2 25 law, rule, ordinance, or policy, an employee of any of the
2 26 following:

- 2 27 (1) The federal government.
- 2 28 (2) The state, or any agency, department, or political
2 29 subdivision of the state, except as provided for an employee
2 30 of the state department of transportation pursuant to section
2 31 543D.3.

2 32 (3) A financial institution as defined in section 535A.1.

2 33 (4) An insurance company authorized to transact the
2 34 business of insurance in this state.

2 35 2. An individual under subsection 1, paragraph "a", may
3 1 provide a recommendation of price or pricing of real estate if
3 2 rendered solely for the purpose of real estate taxation.

3 3 3. An employee under subsection 1, paragraph "c", shall
3 4 not provide appraisal services or complete an appraisal
3 5 assignment for anyone other than the person's employer unless
3 6 certified under this chapter.

3 7 Sec. 6. APPROPRIATION. There is appropriated from the
3 8 general fund of the state to the real estate appraiser
3 9 examining board for the fiscal year beginning July 1, 2007,
3 10 and ending June 30, 2008, the following amount, or so much
3 11 thereof as is necessary, to be used for the purpose
3 12 designated:

3 13 For the purpose of funding full-time equivalent positions
3 14 for enforcement of the provisions of chapter 543D:

3 15 \$ 150,000

3 16 EXPLANATION

3 17 This bill requires that any person who provides real estate
3 18 appraisal services in this state, for compensation, must
3 19 register with the board. The board shall maintain a list of
3 20 registrations at the board office, available for public
3 21 inspection. The bill provides, in new Code section 543D.20, a
3 22 list of persons who are not subject to the provisions of Code
3 23 chapter 543D.

3 24 The bill also prohibits an appraiser from acting with
3 25 advocacy or bias while involved in valuation assignments in
3 26 real property appraisal practice and imposes a penalty.

3 27 The bill appropriates \$150,000 for the purpose of funding
3 28 staff positions to enforce these licensing provisions.

3 29 LSB 2478HH 82

3 30 jr:nh/je/5